

and determine the amount to be paid by said Game and Fish Commissioner by the Judge of the District Court in and for the County of Freeborn in accordance with the statutes of this state applicable thereto.

Sec. 4. This act shall take effect and be in force from and after its passage.

Approved April 20, 1921.

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CHAPTER 406—S. F. No. 765.

*An act amending Section 3268, General Statutes, Minnesota, 1913, relating to the reserves of insurance companies and repealing Section 3268, General Statutes Minnesota, 1913.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Reserves of insurance companies.**—Reserves. To determine the policy liability of any company other than life or title insurance, and the amount such company shall hold as reserve, the commissioner shall take 50 per cent of the aggregate premiums, on policies running one year or less from date of policy, and a pro rata amount on policies running more than one year from date of policy, except upon inland and marine risks, which he shall compute by charging 50 per cent of the amount of premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. In case of any fire and marine company with less than \$200,000 capital admitted to transact in this state fire business only, the full amount of premiums written in its marine and inland navigation and transportation policies shall be charged as liability.

In case of a mutual fire insurance company with a policyholders' contingent liability fixed by its by-laws and in its policies as provided by law, to determine the amount of such reinsurance reserve the commissioner shall take twenty-five (25) per cent of the aggregate premiums running one year or less from date of policy, and fifty (50) per cent of the pro rata amount on policies running more than one year from date of policy. A policy for a term of years on which the premium is payable annually shall be considered a policy for one year.

In case of a casualty insurance company writing insurance against loss or damage resulting from accident to or injuries suffered by an employe or other persons and for which the insured is liable, and under insurance against loss from liability on account of the death of or injury to an employe not caused by the negligence of an employer, he shall charge as a

liability, in addition to the capital stock and all other outstanding indebtedness of the corporation:

a. The premium reserve on policies in force, equal to fifty per centum of the gross premiums charged for covering the risks, provided that the commissioner may, in his discretion, charge a premium reserve equal to the unearned portions of the gross premiums charged, computed on each respective risk from the date of the issuance of the policy.

b. The reserve for outstanding losses, other than compensation and liability, at least equal to the aggregate estimated amounts due or to become due on account of all losses and claims of which the corporation has received notice, provided that such loss reserve shall also include the estimated liability on any notices received by the corporation of the occurrence of any event which may result in a loss, and the estimated liability for all losses which have occurred but on which no notice has been received. For the purpose of such reserves, the corporation shall keep a complete and itemized record showing all losses and claims on which it has received notice, including all notices received by it of the occurrence of any event which may result in a loss.

Whenever, in the judgment of the commissioner, the loss reserves, calculated in accordance with the foregoing provisions, are inadequate, he may, in his discretion, require such corporation to maintain additional reserves.

c. The reserve for outstanding losses under insurance against loss or damage from accident to or injuries suffered by an employe or other person and for which the insured is liable computed as follows:

1. For all liability suits being defended under policies written more than

(a) Ten years prior to the date as of which the statement is made, one thousand five hundred dollars for each suit.

(b) Five and less than ten years prior to the date as of which the statement is made, one thousand dollars for each suit.

(c) Three and less than five years prior to the date as of which the statement is made, eight hundred and fifty dollars for each suit.

2. For all liability policies written during the three years immediately preceding the date as of which the statement is made, such reserve shall be sixty per centum of the earned liability premium of each of such three years less all loss and loss expense payments made under liability policies written in the corresponding years; but in any event, such reserve shall, for the first of such three years, be not less than seven hundred and

fifty dollars for each outstanding liability suit on said year's policies.

3. For all compensation claims under policies written more than three years prior to the date as of which the statement is made, the present values at four per centum interest of the determined and the estimated future payments.

4. For all compensation claims under policies written in the three years immediately preceding the date as of which the statement is made, such reserve shall be sixty-five per centum of the earned compensation premiums of each of such three years, less all loss and loss expense payments made in connection with such claims under policies written in the corresponding years; but in any event in the case of the first year of any such three-year period such reserve shall be not less than the present value at four per centum interest of the determined and the estimated unpaid compensation claims under policies written during such year.

The term "earned premiums" as used herein shall include gross premiums charged on all policies written, including all determined excess and additional premiums, less return premiums, other than premiums returned to policy holders as dividends, and less reinsurance premiums and premiums on policies canceled, and less unearned premiums on policies in force. But any participating company which has charged in its premiums a loading solely for dividends shall not be required to include such loading in its earned premiums, provided a statement of the amount of such loading has been filed with and approved by the commissioner of insurance.

The term "compensation" as used in this act shall relate to all insurances effected by virtue of statutes providing compensation to employes for personal injuries irrespective of fault of the employer. The term "liability" shall relate to all insurance, except compensation insurance, against loss or damage from accident to or injuries suffered by an employe or other person and for which the insured is liable.

The term "loss payments" and "loss expense payments" as used herein shall include all payments to claimants, including payments for medical and surgical attendance, legal expenses, salaries and expenses of investigators, adjustors and field men, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employes, home office expenses, and all other payments made on account of claims, whether such payments shall be allocated to specific claims or unallocated.

All unallocated liability loss expense payments made in a given calendar year subsequent to the first four years in which an insurer has been issuing liability policies shall be distributed as follows: Thirty-five per centum shall be charged to the

policies written in that year, forty per centum to the policies written in the preceding year, ten per centum to the policies written in the second year preceding, ten per centum to the policies written in the third year preceding and five per centum to the policies written in the fourth year preceding, and such payments made in each of the first four calendar years in which an insurer issues liability policies shall be distributed as follows: In the first calendar year one hundred per centum shall be charged to the policies written in that year, in the second calendar year fifty per centum shall be charged to the policies written in that year and fifty per centum to the policies written in the preceding year, in the third calendar year forty per centum shall be charged to the policies written in that year, forty per centum to the policies written in the preceding year, and twenty per centum to the policies written in the second year preceding, and in the fourth calendar year thirty-five per centum shall be charged to the policies written in that year, forty per centum to the policies written in the preceding year, fifteen per centum to the policies written in the second year preceding, and ten per centum to the policies written in the third year preceding, and a schedule showing such distribution shall be included in the annual statement.

All unallocated compensation loss expense payment made in a given calendar year subsequent to the first three years in which an insurer has been issuing compensation policies shall be distributed as follows: Forty per centum shall be charged to the policies written in that year, forty-five per centum to the policies written in the preceding year, ten per centum to the policies written in the second year preceding and five per centum to the policies written in the third year preceding, and such payments made in each of the first three calendar years in which an insurer issues compensation policies shall be distributed as follows: In the first calendar year one hundred per centum shall be charged to the policies written in that year, in the second calendar year fifty per centum shall be charged to the policies written in that year and fifty per centum to the policies written in the preceding year, in the third calendar year forty-five per centum shall be charged to the policies written in the preceding year and ten per centum to the policies written in the second year preceding, and a schedule showing such distribution shall be included in the annual statement.

Whenever, in the judgment of the commissioner of insurance the liability or compensation loss reserves of any insurer under his supervision, calculated in accordance with the foregoing provisions, are inadequate, he may, in his discretion, re-

quire such insurer to maintain additional reserves based upon estimated individual claims or otherwise.

Each insurer that writes liability or compensation policies shall include in the annual statement required by law a schedule of its experience thereunder in such form as the commissioner of insurance may prescribe. Provided that this act shall not apply to farmers mutual insurance companies.

Sec. 2 ~~Sec. 3269, G. S. 1913, repealed.~~—Repeal Section 3268, General Statutes, Minnesota, 1913.

Sec. 3. This act shall take effect and be in force from and after its passage.

Approved April 20, 1921.

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#### CHAPTER 407—S. F. No. 1043.

*An act to legalize newspapers in certain cases.*

Be it enacted by the Legislature of the State of Minnesota :

Section 1. **Certain newspapers legalized.**—No newspaper in this state which conforms in all respects to the statutes defining a legal newspaper, with the exception that the same has not been published for the requisite length of time, shall be deprived of its standing as a legal newspaper at the time the same shall have been published for the requisite length of time, provided it shall have during such time met the other requirements of a legal newspaper, by reason of a failure of publication for one week at some time after the commencement of the publication of such newspaper.

Sec. 2. This act shall take effect and be in force from and after its passage.

Approved April 20, 1921.

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#### CHAPTER 408—S. F. No. 1019.

*An act authorizing the railroad and warehouse commission to investigate the reasonableness of the maximum rates prescribed by law for the intrastate transportation by railroad of passengers and baggage, and to prescribe reasonable rates to be substituted therefor if found to be unreasonable.*

Be it enacted by the Legislature of the State of Minnesota :

Section 1. **Railroad and Warehouse Commission to investigate rates of railroads.**—Whenever in its judgment the public interest requires it, the Railroad and Warehouse Commission is hereby authorized, either upon its own motion or upon written complaint, to institute an investigation for the purpose of